



# *Action Plan 2004*

LOUISIANA ECONOMIC DEVELOPMENT  
COUNCIL



# *Action Plan 2004*

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**LAEDC**

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Louisiana Economic Development Council

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## *Action Plan 2004*

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### **Introduction**

*Action Plan 2004* is the fifth annual report of the Louisiana Economic Development Council to the Governor and the Legislature. It is focused on implementing recommendations to move the state toward *Vision 2020's* goals. *Louisiana: Vision 2020, Master Plan for Economic Development* was updated last year, as required by statute. The *2003 Update* is available at <http://vision2020.louisiana.gov>.

*Louisiana: Vision 2020* is a challenge to create a new and better Louisiana and a guide to economic renewal and diversification. The Louisiana Economic Development Council developed the goals, objectives, and benchmarks articulated in *Louisiana: Vision 2020* and the *2003 Update* to position the State to have a vibrant, balanced economy; a fully-engaged, well-educated workforce; and a quality of life that places it among the top ten states in the nation in which to live, work, visit, and do business.

This fifth annual action plan presents the Council's recommendations for action for the coming year, including the strategies for accomplishing them. To ensure ongoing accountability, this action plan also includes information on the progress made toward each of the recommendations made in last year's action plan.

The 100+ benchmarks the Council uses to measure progress toward our *Vision 2020* goals are available on the Web at <http://vision2020.louisiana.gov>. Results show progress on 55 percent of the benchmarks. On 15 percent, results have remained the same, while the state is doing worse now than when we began measuring on 18 percent of the benchmarks. Twelve percent are new benchmarks for which there is no comparative data.

The Louisiana Economic Development Council facilitates and monitors a process – a process that is focused on a long-term vision as well as short-term operational objectives and action steps to put Louisiana on track to be a top-10 state in which to live, work, visit, and do business.

### **The Challenge**

To become “a top ten state,” Louisiana must improve its economy's capacity to generate wealth and create good jobs. Wealth is generated and a region's standard of living improves when the region's firms sell outside their region, thereby bringing wealth back into the region, and are competitive globally. To be competitive globally, firms must constantly innovate and move quickly to market. They must be able to compete successfully in higher value added markets. Government can affect the climate in which they do business.

Louisiana's challenge is to implement strategies that will facilitate the development of a higher value-added economy, thereby increasing jobs, incomes, and wealth for Louisiana residents. Many new efforts are underway in areas such as education, job training, investments in key inputs needed to grow our economy, infrastructure, health care, and economic development -- efforts that take time to show results. However, Louisiana is starting to show progress, as evidenced by some new rankings and improvements in per capita income.

## Louisiana's Progress

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*Louisiana: Vision 2020*, published in 1999, was the beginning of a statewide, focused effort to move Louisiana to a Top 10 state in which to live, work, visit, and do business. As a result of *Vision 2020*, in 2001 Louisiana Economic Development (LED) was reorganized to focus on growth of existing and new companies, retention of existing companies, and targeted recruiting. In the two years since that reorganization, the state has made substantial investments in infrastructure to build capacity in its targeted clusters and taken steps to improve the state's business climate.

In addition to investments in infrastructure, the state has been investing heavily in education and training, including upgrading skill levels by revitalizing the state's community and technical colleges, creating and maintaining the nation's largest Incumbent Worker Training Program (IWTP) and other workforce programs, and creating new programs to help prepare people to move off welfare.

### Improving Rankings

Although some rankings still show Louisiana near the bottom, recent rankings show great improvement. Examples include *Site Selection* magazine's State Business Climate Rankings for the top 25 states (November 2003 edition), which ranked Louisiana 17<sup>th</sup>, up from 25<sup>th</sup> in 2002, and *Education Week's* Quality Counts 2004, which ranked Louisiana first in the nation in the Standards and Accountability category. These rankings indicate good progress; however, much remains to be done.

### A Key Economic Indicator: Per Capita Income

Per capita income is a general measure of prosperity. Per capita personal income in Louisiana increased by 4.1 percent from 2001 to 2002, according to the Bureau of Economic Analysis. During the same time, per capita income for the nation as a whole increased only 1.7 percent. Louisiana ranks third among the 50 states in the rate of increase in per capita income from 2001-02.

Per capita income as percent of the U.S. per capita income provides a better gauge of how Louisiana compares to the rest of the country -- and Louisiana is improving. Since 2000, per capita income as a percentage of the U.S. average has been slowly increasing. However, as shown in Table 1, Louisiana's per capita income remains well below the national average -- ranked 41st among the states (up from 44<sup>th</sup> in 2001).

**Table 1**  
**Per Capita Personal Income**

	1989	1990	1995	1999	2000	2001	2002
<b>Louisiana Per Capita Personal Income</b>	\$13,997	\$15,215	\$19,314	\$22,205	\$23,185	\$24,454	\$25,446
<b>Louisiana Per Capita Personal Income (as a percent of the U.S.)</b>	75%	78%	83%	80%	78%	80%	82%

Source: U. S. Department of Commerce, Bureau of Economic Analysis

### **Issues: Average Wages & Poverty**

Per capita income well below the national average can be attributed largely to lower average wages and a higher than average percentage of our citizens contributing little to our economy (those in poverty). Average wages in Louisiana are low relative to the rest of the country. In 2001, Louisiana's average private sector wage -- \$28,004 -- was about 20 percent below the national average of \$35,300. In addition, our poverty rate remains one of the highest in the country at 17.5 percent (2002, according to the U.S. Census Bureau, Current Population Survey).

### **Technology-Based Employment**

Technology jobs provide a vehicle for increasing wages and per capita incomes -- to increase wealth in the state. Nationwide, wages for technology jobs are substantially higher than overall average wages. In 2000, information technology (IT) average wages (\$71,600) were 103 percent higher than the overall average wage (\$35,300). While these statistics are for the IT sector, the oil and gas, biotechnology, and petrochemical industries are very technology-intensive industries that also pay higher than average wages.

Statistics related to technology-based employment are available for the information technology (IT) sector, as defined by the American Electronics Association in its *Cyberstates 2002* publication. Louisiana ranked 45th among the states in 2001 in average annual IT wages (\$42,867), which were about 40 percent less than the 2000 national average of \$71,600. Still, Louisiana's average IT wages were about 50 percent greater than Louisiana's overall average wage per job (\$28,004) -- an indication of the significance of growing jobs in the IT sector. In IT employment, Louisiana ranks 34<sup>th</sup> among the states (up slightly from 36<sup>th</sup> the previous year).

Wages are related to workforce skills, and technology-based companies require trained and educated workers. Louisiana ranked 48<sup>th</sup> among the states in associate degrees granted as a percent of the 18-24 year old population (1999-00), 43<sup>rd</sup> in the percent of the population that has completed



high school (2000), 34<sup>th</sup> in total bachelor's degrees granted as a percent of the 18-24 old population (1999-00), and 45<sup>th</sup> in the percent of the civilian work force with a recent masters degree in science or engineering (1999). However, the State ranks much higher – 14<sup>th</sup> – in the percent of bachelor's degrees granted in science and engineering (1999-00).

These statistics indicate that the Council's emphasis on education is not only appropriate, but **required** if Louisiana is to improve its economy's capacity to generate wealth.

### **Government's Role**

A state's role is to implement strategies that will build a higher value-added economy, thereby increasing incomes and wealth. These strategies revolve around creating the infrastructure firms need to increase their capacity to innovate and move quickly to market.

The infrastructure and key inputs states need to provide to meet the needs of companies have expanded. They now include access to cost-effective broadband communications throughout the state; a trained workforce, including training to meet the needs of technology-intensive industries; increased research and development by academia and the private sector; easy access to know-how, knowledge, and technologies developed in our universities; venture and seed capital; and entrepreneurial training.

The Louisiana Economic Development Council, through *Vision 2020* and the annual action plans focusing on implementation, is working to improve the state's capacity in many areas. Louisiana Economic Development serves as the lead agency for many of the states efforts, but it cannot and should not be considered the only agency responsible for economic development. Moving Louisiana ahead requires efforts of all Louisianians, all state agencies, and all postsecondary education institutions.



## *Action Plan 2003 Outcomes*

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In last year's action plan, *Action Plan 2003*, the Council made 35 recommendations. Significant accomplishments have been made related to the Council's recommendations, including business incentives and measures to streamline incentives, cluster funding to build capacity, support for small businesses, education, and funding for coastal protection and rejuvenation.

- ***Business Incentive Initiatives***

Several business incentives and initiatives to streamline processes related to incentives have been implemented or are underway to facilitate retention and recruiting of companies and improve to the ability of the state to quickly respond to job creation opportunities. New initiatives and tools include:

- **Louisiana Opportunity Fund**, which is used to develop public infrastructure needed by businesses and is used to attract businesses to Louisiana from other states and encourage expansions of companies already in the state. This fund received an additional \$4.7 million in funding during the 2003 Regular Session.
- **Louisiana Major Projects Authority**, which was created to enable Louisiana to better compete for "mega projects." The Major Projects Authority, which is modeled after similar authorities in other states, streamlines procedures required in the past and puts provisions in place that allow the state to move quickly to assess sites and finance their preparation, make offers on mega projects, and make other investments that may be necessary. This Authority gives Louisiana Economic Development a new tool that will allow it to move quickly and compete with other states vying for these large projects.
- **Projects to modernize and streamline procedures related to incentives** are currently underway for LED. A contractor is in the process of consolidating LED's incentives databases into a single database. This should allow more efficient handling of requests for information, better service for LED's customer companies (those receiving tax incentives), minimize the time LED employees and companies submitting applications spend on repetitive tasks, and cut application processing time. A second project, also underway, is examining the processes LED employees go through when handling requests related to incentives to determine better ways to process applications and requests.

- ***Initiatives to Build Cluster Capacity***

Several biosciences and information technology infrastructure, R&D, and university technology transfer initiatives intended to increase innovation and technology commercialization are now underway or have recently been completed. These initiatives are outlined below.

- **Statewide Wet Lab Incubator Infrastructure.** In the 2003 legislative session, the Legislature passed an additional investment of \$292,750 for operating costs and \$18 million capital outlay to complete construction of three 60,000-square-foot wet labs

in Shreveport, Baton Rouge, and New Orleans. These wet labs are expected to be completed in 2005. Funding of the wet labs remains a priority for the Economic Development Council, and is included as a recommendation in *Action Plan 2004*, as the Council believes the state must continue to invest in the infrastructure needed to grow and attract high wage, high growth companies.

- The **Higher Education Biosciences Initiative** is designed to provide funds to universities to enhance research capacity in emerging fields tied to the state's economic development efforts. The Legislature appropriated \$4.25 million for biotechnology projects at life science research campuses. This amount included \$1.25 million for neurobiotechnology research. This 2003-04 appropriation is the second year of funding for this initiative.
- **Louisiana Cancer Research Consortium** is a joint venture of the LSU Health Sciences Centers in New Orleans and Shreveport and the Tulane Health Sciences Center. The legislature created and provided ongoing funding (from an increase in the cigarette tax) for the LCRC, which will fund cancer research and treatment, as well as prevention and cessation programs. Last year's initiative to create the Louisiana Cancer Research Consortium received an additional \$18.1 million in funding this year, and \$8.25 million will be carried over from last year's appropriation, which will continue to fund collaborative cancer research between LSU-HSC in New Orleans and Tulane University. LSUHSC-Shreveport will receive approximately \$7 million for their cancer research efforts this year.
- **Louisiana Gene Therapy Consortium** is a collaborative effort between Tulane University and LSU Health Sciences Center Shreveport and New Orleans. These institutions conduct research through the Louisiana Gene Therapy Consortium (LGRC), a cooperative endeavor between institutions of higher education in the state to 1) increase gene therapy research, 2) increase jobs and training in bio-technology, and 3) educate the public in genetics and gene therapy. In 2003-04, \$3.11 million was appropriated for the LGRC.
- **Pennington Biomedical Research Center** received an investment of \$1 million in support of new bio-imaging center at the Pennington Biomedical Research Center and for expanding activities in specific research priority areas.
- The **Information Technology Initiative**, which received \$21.5 million total funding in 2003-04. This initiative is driving information technology research and infrastructure at the state's higher education research campuses.
- **Broadband Assessment Survey Project** is a project to locate and map Louisiana's broadband Internet availability via cable and DSL connections. This is the first phase of a larger and ongoing effort to understand and map broadband capability throughout the state; identify demand for broadband; and build demand by educating companies and the public. This project has been accomplished with financial and support as well as data from several telecommunications companies.
- **University Technology Transfer** issues were addressed in a study entitled *Strengthening Technology Transfer Capabilities of Louisiana Universities* published in June 2003. This project, which was funded by Louisiana Economic Development

in response to a recommendation by the Louisiana Economic Development Council, benchmarked existing Louisiana tech transfer practices with national best practices. The project involved extensive conversations with technology transfer personnel and university administrators around the state and resulted in specific recommendations for steps universities should take to improve technology transfer.

- ***Small Business Support***

Providing assistance to small, entrepreneurial businesses helps strengthen these companies and improve their opportunities to thrive. Several initiatives designed to help small companies were accomplished by state agencies or passed by the legislature in the past year. These initiatives focus on increasing the availability of seed capital for early stage companies, assistance to small businesses and entrepreneurs, and loans and assistance to low-income entrepreneurs, as described below:

- **Investments in Equity Venture Funds** were made by the Louisiana Economic Development Corporation (LEDC). These investments, in Louisiana Ventures, LLC, (Louisiana based), LSU Technology Foundation (Louisiana based), Endgame, and Louisiana Squared are intended to assist entrepreneurial ventures by increasing seed and venture funds available to Louisiana companies. The two Louisiana-based funds will invest in early stage companies.
- **Small Business and Entrepreneurship Commission** combines two state bodies focused on small business needs into one, 17-member group that will focus on assessing and recommending policies and coordinating the state's outreach efforts and assistance to small businesses and entrepreneurs.
- **Microenterprise Loan Program**, which received \$641,666 to provide assistance to low-income parents of minor children to start or strengthen a small business. The program provides training, mentoring, financial counseling, and micro loans.

- ***Education & Training***

In the area of training, the Incumbent Worker Training Program was renewed, and legislation aimed at increasing the supply of healthcare workers was passed. In the area of education, steps were taken in the last year to increase funding for pre-kindergarten education, continue to support accountability to improve student achievement, increase teacher salaries, and increase the number of quality teachers. These initiatives are outlined below.

- **Incumbent Worker Training Program (IWTP)**, which invests \$50 million a year in customized and off-the-shelf training for businesses, is one of the largest in the country. The Legislature reauthorized this successful program, as recommended by the Louisiana Economic Development Council in *Action Plan 2003*. The renewal included modifications to make the program more accessible to small businesses.
- **Health Care Workforce** shortage, which was addressed by the Legislature through a \$2.7 million appropriation to address the shortage of nursing and allied health professionals in Louisiana.

- **Pre-Kindergarten Education Funding**, which was increased by the Legislature from \$35.5 million to \$47.5 million (TANF Funds) for the expansion of Louisiana's successful Pre-K programs -- to serve approximately 2,000 more children.
- **Accountability and Teacher Quality Initiatives.** Several investments designed to give students and schools the resources they need to succeed under the Accountability Program, including:
  - An increase of \$2.1-\$3.6 million (depending on carryover funding available) in funding for additional summer school remediation and LEAP tutoring;
  - An increase of \$1 million for the Distinguished Educators Program
  - An increase of \$1 million for the Learning Intensive Networking Communities for Success (LINCS) Program. LINCS is designed to help struggling schools improve by bringing teachers together in work teams to develop content knowledge and more effective teaching strategies and has helped increase LEAP scores.
  - \$5 million for the Accountability Rewards Program to reward high-performing schools.
- **K-12 Teacher Pay Raise** legislation specified that half of all new Minimum Foundation Program funding be dedicated to increases in teacher pay.
- **Postsecondary Performance and Quality Pool** provided \$5.25 million in funding for the continuing implementation of the *Master Plan for Postsecondary Education, 2001*.
- **Endowed Chairs and Professorships** provided an additional \$2 million to partially address the backlog of private donations to fund endowed chairs and professorships at Louisiana's public colleges and universities.

- ***Coastal Restoration***

Two steps were taken to increase state funds available for coastal restoration, as recommended in Action Plan 2003. Both became law after the required constitutional amendments passed. These funds are critical to demonstrate to the federal government that Louisiana is investing its own money into coastal restoration.

- **Comprehensive Coastal Restoration Program** changes allow the proceeds from mineral settlements greater than \$5 million to be deposited into a special fund for coastal restoration projects. These funds can be used to meet the state match required for federal funds. The legislation will also allow one-time surplus funds to also be used for coastal restoration, after approval by the Joint Committee on the Budget.
- **Coastal Restoration Fund** legislation allows a coastal restoration fund to be established using 20 percent of the revenues realized from the securitization of the state's tobacco settlement, if the legislature securitizes the remaining 40 percent of the state's tobacco settlement. These funds could only be used to meet the required state match to receive federal funds for coastal restoration.

## Council Work For The Year 2003

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The Council's master plan for economic development, *Louisiana: Vision 2020* was approved by the legislature as HCR 165 during the 1999 Regular Session of the legislature. Since that time, four annual action plans and an update of the original *Louisiana: Vision 2020*, known as *Louisiana: Vision 2020, 2003 Update*, have been published. These documents are available electronically at <http://vision2020.louisiana.gov> and through the Department of Economic Development's website, [www.led.state.la.us](http://www.led.state.la.us).

This fifth annual action plan, *Action Plan 2004*, is the culmination of the work of the Council for fiscal year 2003-04. As in previous annual reports, this document sets forth the Council's recommendations for implementation during the coming year and reports on the successes and shortcomings of last year's recommendations.

The 100+ benchmarks the Council uses to measure progress toward our *Vision 2020* goals are available on the Web at <http://vision2020.louisiana.gov>. Accountability is a vital part of the *Vision 2020* process.

The Economic Development Council accomplishes much of its work through its 9 task forces. These task forces examine issues within their areas of responsibility, monitor benchmarks, and propose recommendations and strategies for implementation each year. The appropriate implementing agency develops the action plans for each strategy. The task forces presented the recommendations to the full Council for the determination of the priorities for *Action Plan 2004*. The nine task forces are:

- **Agribusiness**
- **Culture, Recreation, and Tourism**
- **Education/Workforce Development**
- **Energy & Basic Industries**
- **Environment**
- **Finance and Capital**
- **Infrastructure**
- **Science & Technology/Diversification**
- **Tax & Revenue/Programs & Incentives**

More detailed information relating to Council meetings and activities is included in Appendix C.

## Council Recommendations

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*Action Plan 2004* contains 42 recommendations for action in the coming year. The recommendations focus on a broad range of issues of importance for economic development in Louisiana. Some are new, some are updated versions of previous recommendations, and some are a repeat of last year's recommendations. The numbering is for reference only and *does not* signify priorities.

The recommendations are divided into categories that generally describe areas the Council believes are important for economic development. Categories include:

- A. Governing Structure;
- B. Marketing;
- C. Workforce Training;
- D. K-16+ Education;
- E. Business Climate;
- F. University-Industry Interactions;
- G. Capacity Building; and
- H. Cluster Development.

In addition to the 42 recommendations contained in this Action Plan, the Council is concerned about two issues that should be thoughtfully addressed this year: the need for improved coordination among economic development groups around the state and between state agencies, and the impact of recent U.S. international trade agreements on Louisiana industries.

The Council strongly supports better communication and coordination among economic development professionals and groups at the state, regional, and local levels. Economic development professionals and intermediaries must be engaged and support each other in their efforts to assist the growth of new and existing companies, understand the dynamics of existing regional clusters, and undertake strategic recruiting.

The Council also supports better coordination among state agencies. In addition to Louisiana Economic Development, the actions of many state agencies and groups, including the Workforce Commission, Board of Regents, Louisiana Community and Technical College System, Department of Labor, Department of Education, Department of Transportation and Development, Department of Agriculture & Forestry, and the Office of Culture, Recreation & Tourism, directly impact economic development. Agencies must expand efforts to include in the planning and decision-making processes representatives from all appropriate agencies and groups that might be affected or have an impact on specific projects, communities, or issues.

Louisiana's traditional wealth producing industries, such as agriculture, resource extraction, and manufacturing, face serious global competition. It is important for Louisiana that present and future international trade negotiations take into account the impacts on those basic industries and work to preserve their viability. The Council urges the Louisiana congressional delegation to look at all the ramifications and economic impacts on our basic industries when negotiating and/or voting on international trade agreements such as NAFTA, CAFTA, and others.

## **A. Governing Structure:**

The Governing Structure category includes two recommendations that are important “governing basics” to facilitate and coordinate economic development in Louisiana.

### **1. Economic Development Mission**

**Charge every state agency and postsecondary academic board and institution to define its role in economic development.**

- Require every state agency and postsecondary board and institution that has not included economic development as a part of its mission statements to do so by January 2005.
- Require every state agency and postsecondary board and institution to submit in writing its role within economic development to the Louisiana Economic Development Council, identify the elements of economic development it will address, and identify interagency/inter-institution collaborative projects to further economic development efforts by November 2004.

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### **2. S&T Legislative Committee**

**Establish a Science & Technology Committee, Subcommittee, or Task Force within the Legislature that will serve as a focal point for information related to technology issues, policy development, and the growth and retention of technology-intensive industries.**

- Meet with representatives of the Governor’s Office & LED to identify key legislators with whom the new committee/subcommittee should be discussed, plan and set up appropriate meetings, identify sponsoring legislators, and move the recommendation through the legislative session.
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## **B. Marketing:**

The Marketing category includes one recommendation that focuses on marketing Louisiana and international marketing for Louisiana's businesses.

### **3. Public Relations Campaign**

**Develop and fund a marketing and public relations campaign for Louisiana targeted to Louisiana citizens and out of state businesses.**

- Develop with the assistance of marketing and public relations professionals, a marketing and public relations campaign that focuses on conveying the benefits of doing business in Louisiana and the positive changes occurring in the state.
- Coordinate this initiative with other state marketing and public relations efforts, including tourism and convention business initiatives.
- Provide adequate funding for this marketing and public relations campaign.

## C. Workforce Training:

The Workforce Training category includes two broad recommendations that focus on how Louisiana delivers workforce training services and encourages ongoing training. Skills and capabilities of the workforce are key elements for companies seeking to start or remain in, expand, and relocate to Louisiana. Workforce training must remain a focus for Louisiana.

### 4. Training Focused on Company Needs

**Make workforce training programs and funds responsive to the needs of companies.**

- Gather and analyze data from companies to assess their workforce needs, with a special emphasis on the state's targeted clusters.
- Convene within the Workforce Commission a workgroup consisting of representatives of industry and involving secondary and postsecondary education to develop recommendations on how to meet industry needs.
- Develop a comprehensive inventory of nationally recognized, industry-specific certifications and meet with industry leaders to assess the need for these certifications in each targeted cluster.
- Emphasize and expand articulation (seamless awarding of advanced credit from one level and institution to the next) between secondary and postsecondary programs and institutions.
- Continue to collaborate with other state agencies and business and industry partners to provide intensive training for secondary and postsecondary instructors to become certified and implement certification programs.
- Establish a program to promote management and team training in a corporate atmosphere in the Community and Technical College System.
- Create a system or single point of contact to improve access to state workforce training resources.

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### 5. Education & Training Throughout Work Lives

**Increase the proportion of Louisiana citizens with access to education, training, and retraining throughout their work lives, including basic skills, soft skills, and/or technical skills upgrade.**

- Provide incentives to all Louisiana citizens that will encourage continued education, training, and retraining.
- Increase access of Louisiana adults to instruction that prepares them for the GED.
- Increase access to publicly funded basic skills and technical skills upgrades.

- Develop Lifelong Learning Loans with special low interest rates, long maturities, and deferred payments.
- Increase access to affordable childcare, transportation, and counseling to support education, training, and employment.
- Implement additional industry-based certifications related to demand occupations.

## **D. K-16+ Education:**

High quality education is required for Louisiana to develop a 21<sup>st</sup> century workforce, and on-going education is required to meet today's workforce needs. *Vision 2020* challenges Louisiana to be a "Learning Enterprise, an entity that values knowledge and treats the pursuit and utilization of that knowledge as its most important business." The seven recommendations included in this category relate to improving educational outcomes for all Louisiana students from pre-kindergarten through postsecondary education.

### **6. Pre-Kindergarten**

**Permanently fund universal pre-kindergarten education programs, beginning with at-risk children, to increase their competency levels in language, print and mathematical computation.**

- Continue to seek state, federal, and interagency funds in order to provide 100% universal access to high-quality early childhood education.
- Continue to design early childhood education credentials appropriate for emerging federal highly qualified teacher policies.
- Examine possible methods for fully funding Pre-K programs.
- Continue the process of aligning of all early childhood education programs.
- Conduct a major statewide early childhood education summit to promote leadership and professional development.
- Conduct on-going critical evaluations of LA 4 to determine the educational and fiscal value of the program.

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### **7. K-12 Accountability**

**Maintain and strengthen the K-12 School and District Accountability Program to create more effective schools and teaching that improve student academic achievement.**

- Maintain or expand and fund programs to support School and District Accountability.
- Develop, revise, and implement training modules for District Assistance Teams.
- Continue conducting the School Analysis Model and associated scanning, analysis, and reporting services.
- Refine coordination between District Assistance Teams and Distinguished Educators.
- Organize the awarding of School Improvement Funds to schools in Corrective Action.
- Organize the awarding and distribution of School Growth Target Awards.

- Link teacher pay to classroom performance and skills.
  - Provide updated Accountability Manuals to all schools.
  - Develop and implement the accountability data validation process.
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## **8. Technology in Education Master Plan**

**Develop a comprehensive, integrated master plan for using technology to both improve the overall efficiency of school systems and to increase student achievement.**

- Convene a public/private working task force to design and oversee a comprehensive study that has two broad, distinct goals:
    1. Research the use of technology as a tool to improve efficiency in school systems, such as which technologies have the greatest impact on school efficiency, how many people are using those technologies, how many school districts are pursuing paperless solutions and electronic communication with parents and administrators, etc. Recommendations should outline benchmarks for tracking and improving efficiency and strategies for implementing new solutions.
    2. Research strategies and best practices regarding which technologies and practices have the greatest impact on student achievement, analyze the current usage of those technologies in Louisiana, and recommend technologies to adopt or expand access to. Goals and recommendations for technology penetration in schools should follow a deeper understanding of the impact of those technologies on student achievement.
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## **9. Technology in the Schools - Funding**

**Create a dedicated funding base to support the installation and upgrading of information technology infrastructure and resources for Louisiana's pre-kindergarten-20 schools.**

- Create an educational technology task force to research options and make recommendations that would provide a stable funding base for technology improvements in Louisiana schools.
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## **10. Pre-Kindergarten-12 Funding**

**Provide Pre-K-12 education funding that is commensurate with the academic goals and life skills training needed for a quality education system.**

- Continue to maintain or expand funding for School and District Accountability, Distinguished Educators, teacher quality, enhanced student assessment, remediation, Learning Intensive Networking, Louisiana Educational Accountability Data System (LEADS), Teacher Assistance and Assessment, K-3 Reading and Math, School Leadership Development, and Classroom-Based Technology.
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## **11. Postsecondary Funding**

**Increase postsecondary education funding and engage in other appropriate actions to ensure excellence in the classrooms and research leadership.**

- Implement of the Five-year Funding Plan to reach 2004 target for pupil spending for higher education.
- Implement the Five-year Funding Plan, working toward being in the top quartile in teacher salary within SREB states.
- Complete the comprehensive assessment of postsecondary education facility needs, develop a plan to address those needs, and identify options for financing implementation.

## **E. Business Climate:**

A good business climate is an environment that encourages companies to start, expand, remain, or relocate within a state. Each year, *Site Selection* magazine publishes State Business Climate Rankings for the top 25 states. The 2003 rankings show that Louisiana is improving, moving up to 17<sup>th</sup> in 2003 from 25<sup>th</sup> in 2002. These rankings indicate good progress; however, much remains to be done.

Incentive programs and business friendly taxes are important for a good business climate. Equity and debt capital are also essential for companies and particularly critical for growth of emerging cluster companies. The Council has included five recommendations related to the state's business climate in *Action Plan 2004*.

### **12. Tax Incentive Programs**

**Maintain & streamline current and evaluate new incentive programs.**

- Streamline and modernize economic development incentive programs by consolidating incentive databases, reviewing internal handling of incentive-related requests, and analyzing opportunities to streamline handling of applications and information.
- Consider new incentive programs that encourage job creation and retention and facility modernization.

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### **13. Tax Code Changes**

**Update the tax code to remove disincentives to investment and modernization and ensure fairness in assessments.**

- Phase out state sales tax on manufacturing machinery & equipment.
- Phase out corporate franchise tax on long-term debt.
- Provide a system that produces fair and equitable property tax assessments.
- Explore alternatives to tax incentives that encourage capital investments.
- Reduce sales tax on energy sources.

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### **14. Streamlined Sales Tax Project**

**Adopt necessary statute changes to conform Louisiana's laws to the Streamlined Sales Tax requirements by 2005.**

- Create a working group that includes representatives of the Governor's Office, Legislature, local governing bodies and Department of Revenue to recommend specific changes to Louisiana's statutes and draft the necessary legislation.



- Educate legislators, the public, and local leaders about the Streamlined Sales Tax Project.
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## **15. Angel Capital**

**Promote angel investing by developing angel networks, linking companies to these networks, and creating incentives for investing.**

- Develop a mechanism to provide training focused on the logistics of building angel investor networks within the state.
  - Establish links between investors and companies needing investment.
  - Create an angel investor tax credit to encourage angel capital investments.
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## **16. Early Stage Capital**

**Assess existing public programs in Louisiana that provide capital for startups, and evaluate their effectiveness in supplying early stage capital.**

- Review the CAPCO and Louisiana Economic Development Corporation's efforts to encourage early stage investment and the results.
- Identify best practices in other states; review policies, rules, and legislation to identify barriers; outline a program; identify and secure funding, and implement the program.

## **F. University/Industry Interactions:**

Universities play an important role in economic development. Technology-intensive industries require highly trained employees, seek expertise that can be provided by university faculty and staff, seek access to specialized equipment not otherwise available to them, and may seek to license technology developed at universities. Studies show that many companies seek to locate in close proximity to a university.

However, proximity to a university is only an advantage if the university is user friendly – that is, if it is easily accessible to companies and their employees. The three *Action Plan 2004* recommendations included in the University/Industry Interactions category are intended to make it easier for companies and their employees to access technology, people (expertise), and equipment at Louisiana’s universities.

### **17. University Technology Transfer**

**Implement at the research universities the recommendations in the A.M. Pappas study entitled “Strengthening Technology Transfer Capabilities of Louisiana Universities” in order to improve research and technology commercialization outcomes and working relationships between universities and companies.**

- Direct each university to construct an implementation plan based on the A.M. Pappas recommendations.
- Hold an annual meeting with university technology transfer personnel, where each research university or campus will be asked to make a presentation about its tech transfer office and operations (including staffing, outreach activities, budget, successes, and needs).

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### **18. University Tech Transfer Funding**

**Develop a stable funding stream for technology transfer at state universities.**

- Task a group, including representatives from LED and the Board of Regents and with input from the Louisiana Economic Development Council’s Science & Technology Task Force, to make a recommendation regarding a sustainable funding stream for technology transfer at state universities.
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## **19. Accessing University Resources**

**Build on the Louisiana Commerce Exchange System (LACES) database to establish a statewide, user-friendly integrated technology resources database that promotes industry partnerships with universities.**

- Enhance the ability of businesses to access information on expertise and specialized equipment available at Louisiana universities by finalizing the development of the Louisiana Experts (LAExperts) database and populating the database, including encouraging universities to provide data for the LAExperts database.
- Market the LAExperts and LACES databases to state agencies, universities, and regional and local economic development entities to promote the databases through their communications channels.

## **G. Capacity Building**

Establishing the environment and conditions necessary for economic growth, particularly for technology-intensive companies, is critical for Louisiana's economy. The *Action Plan 2004* recommendations in this category focus on building capacity for growth and development in Louisiana.

### **20. Rural & Community Development**

**Develop a comprehensive strategy for rural and community development.**

- Create a working group that includes representatives of the Governor's Office, Louisiana Economic Development, the Legislature, other appropriate state agencies (e.g., DOL, DHH, DSS, DOTD, DOE, etc.), the LSU AgCenter, and representatives of rural areas and small communities.
- Identify promising practices in rural and community development.
- Identify components that need to be addressed in Louisiana's strategic plan for rural and community development.
- Assess regional economic development strategies and how they can support rural areas.
- Develop a scope of work, determine funding needs, and identify possible sources of funds.

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### **21. Economic Development Funding**

**Develop a stable funding stream for state and regional economic development practices and programs.**

- Create a working group that includes representatives of the Governor's Office, Legislature, Louisiana Economic Development, Louisiana Department of Revenue, and other appropriate members to outline stable funding options state and regional economic development efforts, assess the fiscal impact of top ranked proposals, and make recommendations for a stable funding stream for state and regional economic development practices and programs.

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### **22. Statewide Broadband Internet Backbone**

**Expand access to broadband Internet connectivity, particularly broadband and research grade connectivity, throughout the state.**

- Create a public/private task force to guide the state's efforts to provide access to and stimulate demand for affordable, scalable, high-speed middle- and last-mile connectivity.
  - Create a research grid network linking all the state's research universities.
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## **23. Entrepreneurial Support and Training**

**Develop a master plan for entrepreneurship support and education to build capacity throughout Louisiana.**

- Analyze the state’s entrepreneur and small business development and outreach programs for effectiveness, and support efforts to increase entrepreneurial activity statewide, particularly those that can be implemented at the community/regional level.
  - Increase capacity and capabilities of the Small Business Development Centers (SBDCs).
  - Investigate best practices for entrepreneurial education programs, including the use of Workforce Investment Act funds.
  - Expand business development programs that encourage the continued growth of small, minority, and women-owned businesses and businesses in rural areas.
  - Expand programs that provide the information and skills businesses need to create wealth through international business and trade.
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## **24. Transportation Hub**

**Position Louisiana as a globally competitive transportation hub.**

- Pursue implementation of the Louisiana Statewide Transportation Plan to promote economic growth, improve competitiveness of Louisiana industries, and capitalize on international trade opportunities.
  - Accelerate completion of projects included in the Transportation Infrastructure Model for Economic Development (TIMED).
  - Fund a comprehensive effort using existing university resources to develop strategies for the re-emergence of Louisiana as a maritime commerce load center (i.e., a dominant state in import/export).
  - Improve coordination among transportation agencies and authorities in Louisiana to facilitate the movement of people, goods and services on a multimodal transportation system.
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## **25. Federal Funds for Infrastructure**

**Maximize federal funding flows to Louisiana.**

- Encourage the legislature to give priority in state expenditures to matching available federal funds, such as the Comite River Diversion Canal, before funding new initiatives.
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## **26. Permitting Process**

**Develop a continuous process for streamlining environmental and natural resources permits, including seismic, drilling, production, and pipeline activities.**

- Process map current processes.
  - Evaluate current efforts to streamline process.
  - Seek common ground from agencies to streamline the process.
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## **27. Energy Infrastructure Development**

**Develop an annual report examining barriers to the development of energy infrastructure with proposals for eliminating the barriers.**

- Identify existing barriers for needed energy infrastructure.
  - Develop proposals for eliminating both state and federal barriers.
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## **28. Legal Reform**

**Develop recommendations for legal reforms related to class action litigation and excessive, non-compensatory damages and punitive awards in environmental litigation.**

- Identify the problems.
  - Propose legislation to remedy these problems for the good of the state.
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## **29. Coastal Preservation**

**Act to protect our coastal wetlands and barrier islands and restore them to a state of sustainable, productive health.**

- Implement *Coast 2050*, the State's strategic plan to sustain Louisiana's coastal resources and provide an integrated multiple use approach to ecosystem management.
  - Support federal efforts to fund coastal restoration.
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## **30. Beautification**

**Develop a comprehensive plan to beautify the state.**

- Encourage the Governor and Lt. Governor to lead an effort to develop a beautification plan that would incorporate existing programs such as the DEQ Litter Abatement Program, the DOTD Adopt-a-Highway and Transportation Enhancement Programs, the DCRT Main Street program, and various local programs concerning blighted housing and buildings.
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## H. Cluster Development

In order to grow and develop Louisiana's clusters, the state must invest in the research and development and the infrastructure needed by these clusters. It is also important to invest in quality of life features desired by the high quality workforce Louisiana seeks. The 13 *Action Plan 2004* recommendations in this category focus on these investments.

### 31. Statewide Wet Lab Incubator Infrastructure

**Establish the operation of the regional wet-lab technology business incubators to support the medical/biotechnology, environmental, energy, and food technology clusters in Louisiana and link their practices and resources.**

- Maintain capital funding for the wet labs.
- Support the startup operations of the three wet-laboratory incubators in Shreveport, New Orleans, and Baton Rouge, including additional funding for basic laboratory equipment.

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### 32. R&D Funding

**Increase investments in research and development, targeting technologies in the state's identified clusters.**

- Support efforts to increase research & development funding in cluster technologies.
- Identify applied research interests of cluster companies; analyze industry growth projections; identify existing research strengths in universities; and develop a plan for transferring information on research interests and anticipated future growth paths from industry to the universities.

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### 33. Natural Gas Supply

**Ensure an adequate supply of natural gas at affordable prices.**

- Facilitate construction of LNG plants by streamlining the permitting process and overcoming regulatory impediments.

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### 34. Energy Technology Research

**Develop an energy research strategy for the state.**

- Convene a cross-functional team with representatives from industry, academia, and government to work with the Center for Energy Studies to prepare the blueprint.



- Develop a blueprint for energy research that is of interest and relevance to Louisiana industries, universities and the state, including but not limited to alternative fuels including the use of biomass, cogeneration, hydrogen-fuel, improved efficiencies, and improved oil and gas production technologies both onshore and offshore.
  - Identify and propose funding mechanisms to accomplish the priorities.
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### **35. Environmental Center of Excellence**

**Create a globally competitive research, development and commercialization center focused on creating and commercializing new solutions for environmental issues faced by our companies and citizens.**

- Study the feasibility of an Environmental Center of Excellence.
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### **36. Healthcare in the 21<sup>st</sup> Century**

**Convene a public/private commission to evaluate methods to reduce the rising cost of healthcare through the utilization of information technology solutions.**

- Organize a commission/task force to address the issues of paperless record keeping, meeting federal requirements, broadband access, telemedicine, and related issues and prepare a report by November 2004.
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### **37. Forest Products Development**

**Provide additional state funding support to the Louisiana Forest Products Development Center (LFPDC) as a means of developing and transferring value added wood products technology to industry.**

- Provide funding for operations and equipment
  - Coordinate LFPDC faculty involvement in developing regional wood products sector development initiatives, including providing support for existing companies and conducting research and development activities that could lead to new and/or improved products and processes for commercialization in Louisiana.
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### **38. Bio-Based Fuels**

**Position Louisiana to benefit from emerging technologies associated with bio-fuels (converting biomass into liquid fuels for transportation) and bio-products (converting biomass into chemicals for making products typically made from petroleum).**

- Use the newly formed Renewables Council of Louisiana (RCL) to explore new market and technology development opportunities for bio-based fuels, power, and other products.
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### **39. Incentives for Value Added Agricultural Activities**

**Develop and assess specific business incentives to stimulate additional value-added business development in agricultural, forestry, and fisheries.**

- Prepare a case for new business incentives to stimulate the growth of value-added agribusiness companies, including: 1) investment tax credits; and 2) an increased R&D tax credit.
  - Meet with the Governor's Office, Legislative leadership, Division of Administration, Rural Task Force, and other legislators to discuss the benefits of these tax credits for development of the agribusiness cluster.
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### **40. Coordinate Tourism & Convention Business with Economic Development**

**Focus and facilitate State and local efforts to maximize the economic opportunities the tourism and convention business presents by establishing a central clearinghouse to identify and coordinate marketing efforts to attract and retain domestic and international industry.**

- Establish a central information clearinghouse to provide an efficient line of communication and create opportunities for joint initiatives and program coordination in domestic and international market places by November 30, 2004.
  - Employ the Internet to link State economic development, tourism, and agribusiness websites to capitalize on the popularity of Louisiana to attract and retain industry, retirees, and employees to the State.
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### **41. Atchafalaya Basin**

**Preserve and enhance the Atchafalaya Basin Program in order to preserve and promote the unique history, culture, and natural aspects the Basin offers to Louisiana citizens and visitors.**

- Develop and implement strategic plans to restore, protect, and make the Atchafalaya Basin accessible, where appropriate to the public.
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### **42. System of Bike & Pedestrian Paths**

**Increase the availability of bicycle and pedestrian facilities to increase the attractiveness of Louisiana to tourists and enhance quality of life for residents.**

- Study the increased use of levee tops and riverfronts for bicycle and pedestrian facilities.
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